

Military Health System Office of Transformation



QDR Medical Roadmap Implementation

***Military Health System Office of Transformation
13 July 2006***



What is a QDR ?

- ❑ Quadrennial Defense Review (QDR)
Congressionally mandated every four years
 - SECDEF must review forces, resources, & programs and present findings to President and Congress
 - QDR is a roadmap and reflects thinking of senior civilian and military leaders of the Department of Defense; it is not a programmatic or budget document
- ❑ QDR initiative #8 is “Transform the Infrastructure” under MHS Transformation



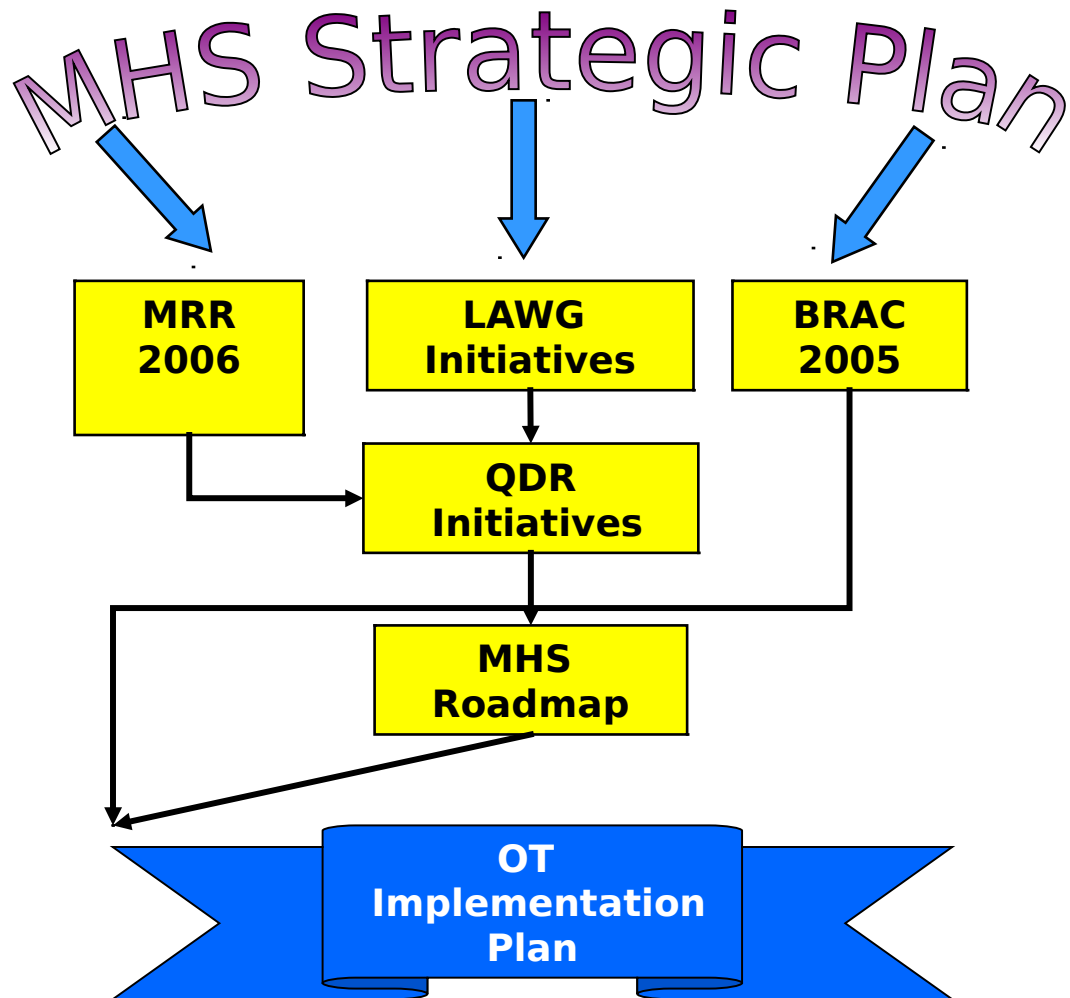
What is the MHS Office of Transformation (MHS-OT)?

MHS-OT is a jointly staffed office chartered by the DEPSECDEF to provide oversight/management in the execution of the QDR

- ☐ Under authority of USD (Personnel and Readiness)
 - Delegation to the ASD (Health Affairs)
- ☐ Work and recommendations reviewed for approval by the MHS Executive Review Committee (MHSE)
 - USD (P&R), USD (C), PA&E, M&RA, ASD (HA), Vice Chiefs, SGs
- ☐ Responsible for the implementation of
 - Medical Readiness Review (MRR)
 - Local Authorities Working Group (LAWG) study
 - Base Realignment and Closure (BRAC) law
 - Medical Quadrennial Defense Review (QDR)
- ☐ Coordination with the Joint/Unified Medical Command Working Group during initiative development



Development of OT Initiatives





MHS Transformation Four Focus Areas

- ❑ **Transform the Force:** Transform medical force so future medical support –
 - Is fully aligned with Joint Force concepts and provides optimum combat service support to the Joint Force
- ❑ **Transform the Infrastructure:** Transform MHS infrastructure management to –
 - More rapidly responds to the needs of the changing national security environment
 - Reduce excess capacity and support jointly-operated facilities in multi-Service markets
 - Support the effective and efficient delivery of health care
- ❑ **Transform the Business:** Transform the business operating model to –
 - A fully customer-focused and performance-based organization, with--
 - Effective processes to anticipate and respond to the changing nature of health care
- ❑ **Transform the Benefit:** Transform the TRICARE benefit to –
 - Reinforce appropriate use of resources and demand for services



Tightly Linked to Initiative #8

- ☐ Homeland defense and medical civil-military ops
- ☐ Joint medical education and training focused on performance-based management
- ☐ Process improvement
- ☐ Performance-based planning
- ☐ Performance-based financing
- ☐ Management of jointly-operated MTFs
- ☐ IM/IT alignment
- ☐ Contracting for health care services
- ☐ Effective patient partnerships
- ☐ Implement BRAC



Loosely Linked to Initiative #8

- ☐ Medical Readiness Review
- ☐ Interoperability and agility of operational medicine capabilities
- ☐ Healthy, enhanced and protected force
- ☐ Shaping the future Joint medical force
- ☐ Integrate graduate medical education
- ☐ Eliminate utilization barriers
- ☐ Contracting for professional services
- ☐ Updating the TRICARE Benefit Design



Progress and Way Ahead

- ❑ SMMAC/MHSER approved implementation plan and assignment of OPRs
 - Milestone approach to implementation
 - Detailed execution plans address
 - Doctrine, organization, training, materiel, leadership and education, personnel and facilities
 - OPRs responsible for execution
 - Institutionalization of change initiatives

- ❑ MHS-OT Oversight
 - Monitor and report progress
 - Coordination and integration across initiatives
 - MHS-OT sundown Sep 07

QDR #8

Summary/Overview

13 July 2006





QDR #8 Overview

- ❑ Develop a systematic and strategic approach to provide comprehensive visibility of its assets, to include the physical and functional condition of facilities and an enterprise-wide process to measure improvement in facility condition and performance resulting from expenditure of Military Construction (MILCON), Defense Agency (TMA) funds and Operation & Maintenance (O&M) funds.
- ❑ Establish a process to directly link facility investments with performance goals articulated in strategic and business planning and enhance joint operations and interagency collaboration.
- ❑ Transforming the medical military construction (MILCON) planning, acquisition and recapitalization processes.



Why Transform?

- ❑ What are we trying to accomplish?
 - Reduce facility acquisition cost
 - Reduce facility acquisition timeline
 - Increase flexibility with higher funding thresholds for UMCs and MC
 - Improve inventory data and standardize condition assessments
 - Prioritize investments to ensure best use of limited funding



QDR #8 OPR Strategy

- ❑ DASD (HB&FP) serves as the Office of Primary Responsibility (OPR)
- ❑ OPR delegated to HFSC
- ❑ HFSC formed QDR Infrastructure Oversight Workgroup to
 - Develop implementation plan
 - Report to HFSC-Exec and OPR
- ❑ LMI provides facilitator and admin support
- ❑ FY06 UFR submitted for studies needed to plan / implement



Health Facility Steering Committee (HFSC) Focus on QDR #8

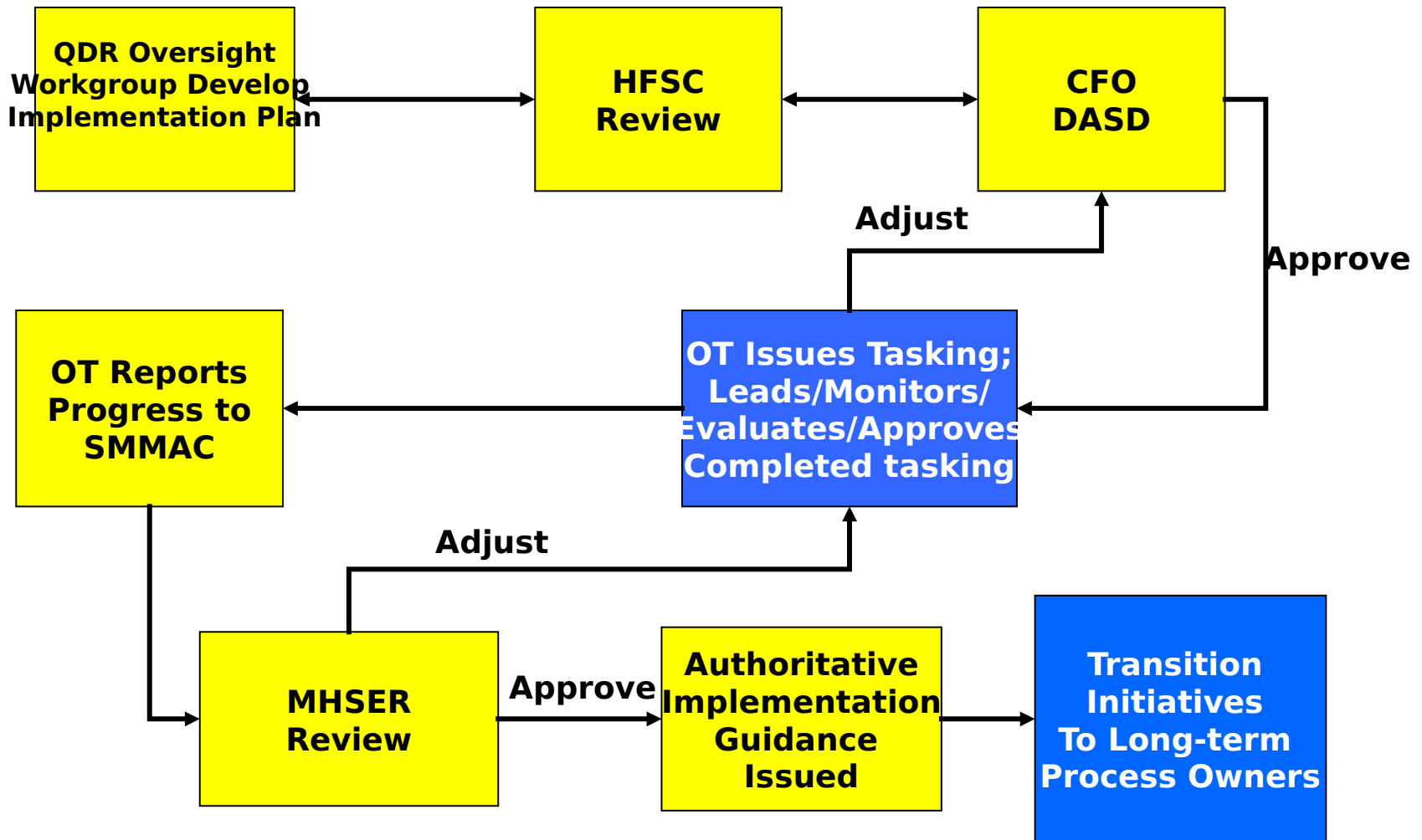
- ❑ How do we achieve success?
 - Embrace the Revolution!
 - Refocus priorities to true transformation

- ❑ Provisional QDR Oversight Cmte formed at 15 May 06 HFSC-Ex Meeting
 - Provides framework/focus & drive to implement QDR #8

- ❑ Goal is implementation (not just planning)
 - “Sooner is Better”

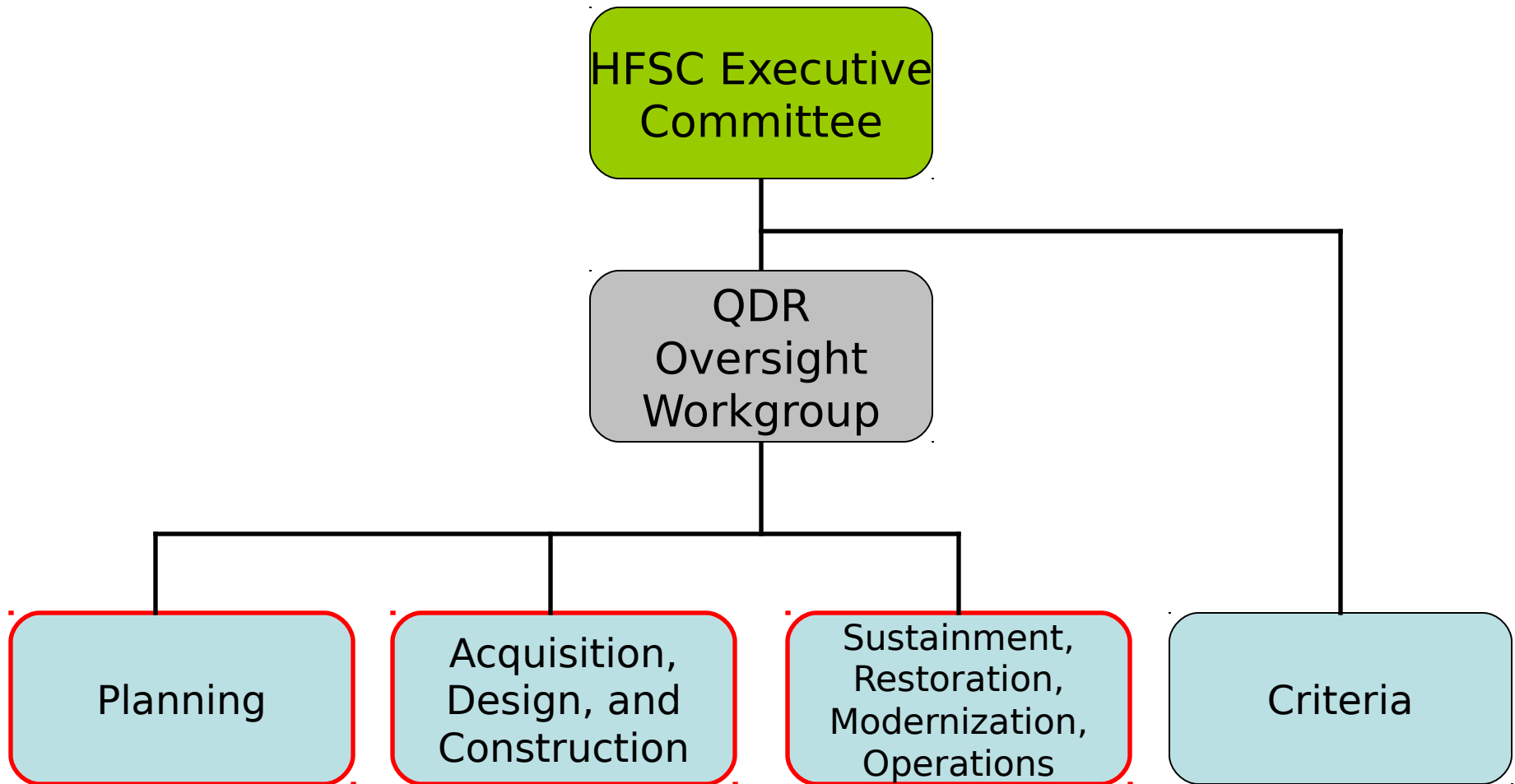


HFSC Review/Approval Process





HFSC QDR Oversight Structure





QDR Working Groups

□ SRMO Subcommittee

- Develop systematic and strategic approach to provide Asset Visibility
 - Comprehensive visibility of assets including physical and functional condition
 - Enterprise-wide process to measure improvement in facility condition and performance resulting from expenditure of MILCON and O&M funds

□ Planning/CIDM Subcommittee

- Link facility investments to strategic and business planning
 - Establish process to directly link facility investments with performance goals
 - Enhance joint operations and interagency collaboration

□ AD&C Subcommittee

- Transform medical military construction (MILCON) planning, acquisition and recapitalization process
 - Adopt performance-based standards and criteria vice specification-based
 - Accept industry standards, codes and best practices; reduce “DoD-centric” standards, codes and practices
 - Seek regulatory changes to increase flexibility



SRMO Workgroup Goals

- ☐ **Utilize the Departments real property database and oversee the development of a standardized, quantitative method to reconcile, assess and evaluate MHS facility inventory and condition by FY 2008. This method will:**
 - ☐ Provide a comprehensive listing of MHS infrastructure assets.
 - ☐ Assess and evaluate the condition of MHS real property.
 - ☐ Assess how well MHS facilities meet mission requirements.
 - ☐ Assess and evaluate facility capacity and productivity.
 - ☐ Establish performance metrics for evaluating changes in facility conditions over time.
 - ☐ Evaluate whether the investments in our facilities, either through MILCON or O&M funding, have achieved expected performance and facility condition goals.
 - ☐ Ensure the resulting data is compatible with the DoD real property inventory system.



Planning Workgroup

Goals

- ❑ **Oversee the development of a process to ensure that MILCON and O&M funded investments in MHS facilities support strategic goals and business planning initiatives of the MHS by FY 2008. This process will:**
 - ❑ Establish criteria that describe how linkages of potential facility investments to strategic and business planning can be compared.
 - ❑ Develop a consistent MHS-wide basis for making facility investment decisions.
 - ❑ Ensure that MHS facilities better support joint operations and interagency collaboration.
 - ❑ Provide for MHS executive review and approval of suggested investments.



Planning Workgroup Goals

- ☐ **Oversee the development and implementation of an integrated facility portfolio investment process for specified MILCON and MILCON funded UMC by 2008. This process will:**
 - ☐ Be informed by facility condition.
 - ☐ Involve TRICARE Regional Offices (TROs) and Multi-Service Market Offices (MSMOs) as consultants to provide market-level perspectives in Service and Office of the Secretary of Defense decision-making.
 - ☐ Identify and prioritize projects based upon established criteria.



Planning Workgroup Goals

- ❑ **Oversee the development of a “best practice” process for evaluating facility investment options (e.g. whether to sustain, repair or modernize versus build a new facility) that will meet MHS infrastructure requirements. The “best practice” process will:**
 - ❑ Identify standardized criteria to evaluate MHS facility investment strategies and compare these criteria with private sector and other Government facility investment strategies.
 - ❑ Analyze the facility investment strategies using established criteria and select the “best practice” for use in the MHS.
 - ❑ Clarify and expand economic analysis guidelines to consider alternative funding sources among MILCON, O&M, other Government, and private sector sources.
 - ❑ Develop standardized, collaborative planning and programming processes that budget resources based upon jointly-identified needs and priorities.



AD&C Workgroup Goals

- ❑ **Oversee the implementation of the following changes to the MHS internal management processes for all medical construction and renovation:****
- ☐ Transform the current specification-based process into a process driven by performance-based standards and criteria.
- ☐ Revise existing space and construction criteria to reflect use of accepted industry standards, codes, and best practices for design and construction, keeping specialized requirements only for Anti-Terrorism/Force Protection (ATFP) (when applicable) and Life Cycle Cost Objectives.
- ☐ Adopt performance-based contracts versus current prescriptive contracts.
- ☐ Largely eliminate change orders during construction.



MHS-OT Goals

❑ MHS-OT will oversee the modification of existing legislation to support the MHS transformation:

- The MHS submitted FY 2007 congressional language to increase Congressional approval levels for UMC to link with the VA threshold for all projects requirements
- The MHS submitted FY 2007 congressional language to raise the Congressional approval level for O&M funded minor construction to \$3.0 million.



Medical Infrastructure Transformation Symposium

- ☐ Purpose: Blending Industry best practices into the transformation effort
- ☐ Jointly co-hosted by USD(P&R) and USD(AT&L)
- ☐ Participants include DoD, other federal construction agents and invited guests from private sector
- ☐ Scheduled 20 July
- ☐ Location Uninformed Services University of the Health Sciences (USUHS)



Questions?